



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*R. Scott Ralls, Ph.D.*

*President*

24 August 2015

**IMPORTANT INFORMATION**

**MEMORANDUM**

**TO:** Members of the State Board of Community Colleges  
Community College Presidents  
Boards of Trustees Chairs  
Community College Chief Academic Officers, Chief Admissions Officers,  
Business Officers, Chief Financial Officers, Financial Aid Officers, Student  
Development Administrators, Public Information Officers, Registrars & Other  
Interested Parties

**FROM:** Q. Shanté Martin, *NCCCS General Counsel*

**RE:** **Proposed Repeal of 1D SBCCC 700.99 – “Live Projects”**

The State Board of Community Colleges has initiated the rulemaking process to repeal the following rule:

**1D SBCCC 700.99 – “Live Projects”**

The State Board of Community Colleges proposes to repeal 1D SBCCC 700.99 - “Live Projects” so that the change can correspond to changes in Title 1, Chapter H – “Fiscal Management.”

**The proposed amendment is published on the NC Community College System's website, [www.nccommunitycolleges.edu](http://www.nccommunitycolleges.edu), under "State Board Code."** For your convenience, a copy of the proposed rule, with the changes indicated, is attached to this memorandum. Please post a copy of the proposed rule in prominent places so that all individuals affected by the proposed changes will be informed.

Any member of the public has the right to submit written comments on the proposed rule. **Written comments on the rule must be received by no later than 5:00 p.m. on September 23, 2015.** Any member of the public has the right to request a hearing on the proposed rule. **Requests for a hearing must be received by no later than 5:00 p.m. on September 8, 2015.** Written comments and requests for hearing shall be directed to the following address: Q. Shanté Martin, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to [publiccomments@nccommunitycolleges.edu](mailto:publiccomments@nccommunitycolleges.edu). Thank you for your attention to this matter.

**CC15-024  
E-mail Copy**

Attachments



# State Board of Community Colleges Code

## Notice of Proposed Rulemaking Form

Date: 24 August 2015

<b>Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed</b>	Repeal 1D SBCCC 700.99 – “Live Projects”
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

<b>Adopt</b> (new rule)	<b>Amend</b> (change existing rule)	<b>Repeal</b> (delete entire rule)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<b>Rationale for proposed adoption, amendment or repeal:</b>	The purpose for the proposed repeal of 1D SBCCC 700.99 – “Live Projects” is so that the change can correspond to changes in Title 1, Chapter H – “Fiscal Management.”
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<b>Proposed Effective Date of Rule</b>	January 1, 2016
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1 State Board of Community Colleges Code  
2 TITLE 1 – COMMUNITY COLLEGES

3  
4 CHAPTER D. EDUCATION PROGRAMS

5  
6 SUBCHAPTER 700. GENERAL PROVISIONS

7  
8 ~~1D SBCCC 700.99 – Live Projects~~

9 ~~(a) Live projects are defined as:~~

10 ~~(1) educational programs in which students, as part of their educational experiences, repair or~~  
11 ~~remodel equipment not owned by the college; or~~

12 ~~(2) educational programs that produce goods that are sold or services for which charges are~~  
13 ~~made, such goods or services being the normal and necessary product of learning activities~~  
14 ~~of students.~~

15 ~~(b) In the case of (a)(1) of this Rule, the owner of the equipment must supply or pay for all parts~~  
16 ~~required. In the case of (a)(2) of this Rule, the following regulations apply:~~

17 ~~(1) Where federal programs are involved, rules do not permit goods to be sold. In such~~  
18 ~~programs, goods produced may be used for the benefit of the college or donated to another~~  
19 ~~non-profit charitable or educational agency or institution.~~

20 ~~(2) For live projects that involve the purchase of equipment from the state or federal surplus~~  
21 ~~property agency, the repair of this equipment and its sale as surplus under the rules of the~~  
22 ~~State Division of Purchase and Contract, the proceeds of such sales shall be deposited with~~  
23 ~~the State Board and credited to the equipment budget of the college.~~

24 ~~(3) In other programs that fall under the above definition of live projects:~~

25 ~~(A) The local board of trustees shall approve rules, consistent with state laws and rules,~~  
26 ~~covering the disposal of goods and services, charges made, etc.~~

27 ~~(B) The local board of trustees shall provide that the receipts be deposited to the State~~  
28 ~~Treasurer (unless a "special local" fund account arrangement has been worked out in~~  
29 ~~keeping with rules of the department). Receipts deposited to the State Treasurer under~~  
30 ~~this provision shall be allotted back to the college for expenditures during the same~~  
31 ~~fiscal year.~~

1 ~~(C) Where a "special local" fund arrangement is set up as provided in (b)(3)(B) of this Rule,~~  
2 ~~all costs made necessary because goods or services are produced and then sold shall be~~  
3 ~~paid from the "special local" account that receives the income. This includes materials~~  
4 ~~used in producing the goods and services, extra personnel required to serve customers,~~  
5 ~~specialized equipment that would not otherwise be required for instruction alone, and~~  
6 ~~other costs directly related to a live project as distinguished from an instructional~~  
7 ~~program that does not produce income. Detailed records must be maintained on the~~  
8 ~~special local fund account in order that periodic financial statements may be prepared~~  
9 ~~and a complete audit of the account made after the close of the fiscal year.~~

10 ~~(D) Where a "special local" fund arrangement is set up as provided in Part (b)(3)(B) of this~~  
11 ~~Rule, the local board of trustees shall adopt regulations which set forth the purposes for~~  
12 ~~which funds from the special local fund [in excess of those required under Part~~  
13 ~~(b)(3)(C) of this Rule] may be used. Such funds shall not be used to supplement regular~~  
14 ~~salaries of permanent employees whose base salaries are paid from state or local~~  
15 ~~appropriations.~~

16 ~~(E) Approval as a Special Fund. If a project is expected to continue over an extended~~  
17 ~~period of time or if the cost of providing the goods or services is difficult to trace to a~~  
18 ~~particular patron, the project may be accounted for as a "special fund". Expenses of~~  
19 ~~these projects may be paid out of receipts. The approval of the Department will be~~  
20 ~~required to set up projects as special funds.~~

21 ~~(e) The clientele served in providing clinical experience for students by carrying on live projects~~  
22 ~~shall be limited to students and employees in the system so far as possible. Where, however,~~  
23 ~~outside clients become necessary in order to provide enough experience to carry out~~  
24 ~~educational programs, clients shall be selected from the general public on the basis of standing~~  
25 ~~criteria adopted and published by the college, not inconsistent with State Board rules.~~

26 ~~(d) The above rules, except those under Subparagraph (b)(2) of this Rule, do not apply to the~~  
27 ~~disposal of any state owned equipment, which must be declared surplus and sold by the State~~  
28 ~~Board.~~

29 REPEALED by the State Board of Community Colleges, eff. January 1, 2016.

31 *History Note: Authority G.S. 115D-5; 115D-14; P.L. 97-300;*

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*Eff. February 1, 1976;*  
*Amended Eff. September 1, 1993; ~~August 17, 1981.~~ August 17, 1981;*  
*Repealed Eff. January 1, 2016.*

DRAFT